

**ARIZONA STATE PARKS BOARD
TONTO NATURAL BRIDGE STATE PARK
HIGHWAY 87, 10 MILES NORTH OF PAYSON, AZ
JULY 20, 2006
MINUTES**

Board Members Present:

William C. Porter
William Cordasco
William Scalzo
Reese Woodling
Elizabeth Stewart

Board Members Absent:

Janice Chilton
Mark Winkleman

Staff Present:

Kenneth E. Travous, Executive Director
Jay Ream, Assistant Director, Parks
Jay Ziemann, Assistant Director, Partnerships and External Affairs
Mark Siegwarth, Assistant Director, Administration
Cristie Statler, Executive Consultant
Debi Busser, Executive Secretary

Attorney General's Office

Joy Hernbrode, Assistant Attorney General

A. CALL TO ORDER - ROLL CALL – 9:00 A.M.

Chairman Porter called the meeting to Order at 9:05 a.m. He requested that over the course of the next 6 weeks staff develop a plan that incorporates yesterday's discussion. He noted that there may be some items that the Director and staff can begin to work on prior to the next Board meeting.

Chairman Porter stated that there is time allotted on the Agenda for the Board to further discuss ideas developed in Wednesday's Work Session.

Mr. Cordasco noted that he has a conflict with the date of the next Board meeting. He has been requested to make a presentation at a Natural Areas conference and it may be the same day of the Board meeting.

Ms. Stewart noted that she, too, planned on attending that conference. She believed that Mr. Cordasco was correct and that his presentation is to be given on Thursday, the same day as the Board meeting.

Chairman Porter noted that this raises concern about whether or not there will be a quorum. The September meeting is when the grants will be awarded. He noted that Mr. Winkleman and Ms. Chilton were absent today. If they do not come to the September Board meeting, the Board will not have a quorum and will not be able to

conduct business. He understood that the grants applicants have already been notified of the time and place of the September Board meeting.

Ms. Stewart suggested moving the meeting to the prior week.

Chairman Porter asked if this would work for the Board members present. The consensus was that it may pose a problem for other Board members and there may still be an issue with maintaining a quorum if Mr. Winkleman and Ms. Chilton could not be present.

Ms. Stewart suggested that there be a special meeting to deal with what will be discussed at today's meeting. She was concerned that the September agenda would be too large for the Board to deal with. She noted that sometimes issues arise with grant programs that cause the Board to engage in longer discussions.

Mr. Cordasco noted that he is hesitant to not make the September meeting because of the importance of the grant awards. If the meeting date cannot be changed and there is a danger of not maintaining a quorum he would come to the Board meeting. It would be a personal disappointment to not be able to make his presentation as it relates to what he's been doing the past 20 years.

Chairman Porter stated he would work with the Director to see whether or not a quorum could be maintained on September 21 or if the date needs to be changed.

Ms. Stewart noted that there are so many issues with the grants that she believes separating the two items works better.

B. INTRODUCTIONS OF BOARD MEMBERS AND AGENCY STAFF

Chairman Porter noted that since there was no public present, there was no need for the Board and staff to introduce themselves to each other.

C. CONSENT AGENDA

- 1. Approve Minutes of May 18, 2006 Arizona State Parks Board Meeting**
- 2. Approve Executive Session Minutes of May 18, 2006 Arizona State Parks Board Meeting**

Mr. Scalzo made a motion to approve the Consent Agenda. Mr. Cordasco seconded the motion.

Ms. Stewart noted that she submitted changes to the Minutes that were provided to the Board and asked if those changes were included in the motion.

Mr. Scalzo (maker of the motion) and Mr. Cordasco (second to the motion) agreed the changes were part of the motion and amended the motion to state: I move the Consent Agenda with the changes to the Minutes.

Chairman Porter called for a vote on the motion on the floor. The motion carried with the changes to the Minutes.

D. ACTION ITEMS

- 1. FY 2007, FY 2008, and FY 2009 Strategic Plan** – Staff recommends approval of the FY 2007, FY 2008, and FY 2009 Strategic Plan as presented.

Mr. Travous reported that this is the Strategic Plan staff are required to submit to the Governor's Office.

Ms. Stewart stated she is raising the same concern she raises every year. She referred to the plan the Board adopted to achieve its Vision. In reading this document, she doesn't see how it will get the Board there. The reality is that the Agency operates under the Strategic Plan – it's what is presented to the public. She doesn't believe it will achieve the Vision and has difficulty with it.

Mr. Scalzo responded that he believes it is well-prepared except that it may be too aggressive. Some of the measures may not be attainable.

Mr. Siegwarth reported that HRIS was scheduled out. DOA continually change what needs to be done throughout the year. Staff are saying that we will implement whatever DOA implements. Some numbers are locked in and cannot be changed. He tried to make 2008 and 2009 more realistic.

Mr. Scalzo noted that this plan has to be done this way because it is results-oriented. These are routine things staff will do anyway. It is the base business. It is different from the Vision. It is a number-driven process.

Ms. Stewart responded that this document tells how the Vision will be accomplished. Two things are missing. The Board still does not have the schedule for implementation of PAMS. The Board has consistently said that schedule must be done. She doesn't think we're there yet to get the schedule for final implementation. Secondly, it is important to emphasize the parks the Board has. Every year she says the Board needs a plan to acquire open space around the parks. She feels she is wasting her time voting for this plan.

Mr. Travous responded that staff can stop telling people this plan will achieve the Vision. Last year staff came up with something else – the Vision and Design. This is a monitoring process for the administration of the system. At the end of the Fiscal Year, staff went through it and gave the Board the top 7 items that will take up most of staff's time.

Mr. Woodling referred to pages 88 and 89 of yesterday's Board Packet. He sees a development timetable for PAMS. He doesn't know what Ms. Stewart is talking about when she says she hasn't seen any time plan. The Strategic Plan is a way to achieve the goals staff set for themselves. It is a business plan.

Ms. Stewart responded that she doesn't have a problem with the Strategic Plan as a business plan. She does have a problem with saying it will achieve the Vision. On page 9, the Agency Summary, Issue 3 states, "This Strategic Plan will provide a systematic approach to move the agency toward the new Vision." Staff are confused. Some believe they are to follow the Strategic Plan to work toward achieving the Vision. They have not received the Vision and Design.

Mr. Siegwarth noted that the way the governor structured the strategic plans, there are requirements that staff must perform. There is nothing that directly relates to what will be done next. To change what is written here will not portray to the governor what our

real strategic issues are in the next three years. That's why achieving our Vision is one of our strategic issues.

Mr. Travous noted that he does not know who on staff is confused.

Ms. Stewart responded that she has heard that from a number of staff.

Chairman Porter stated he would entertain a motion on this item.

Board Action

Mr. Woodling: I move adoption of the Strategic Plan for FY2007, FY 2008 and FY 2009.

Mr. Cordasco seconded the motion.

Ms. Stewart asked if staff can change the Strategic Plan so it is clear that the Vision and Design that implements the Vision is a separate document.

Mr. Siegwarth noted that it does indicate that the Board will receive quarterly reports. The Strategic Plan does reference the fact there is a new Vision. He agreed to add the word, "separate".

Chairman Porter called for a vote on the motion on the floor. It carried unanimously.

- 2. Revised FY 2007 and FY 2008, and FY 2009 Operating Budgets** – Staff recommends approval of the Revised FY 2007 and FY 2008, and FY 2009 Operating Budgets as presented.

Ms. Stewart referred to page 93 of yesterday' Board Packet. She noted that there is a Recommended OHVAG Action included the Operating Budget. She asked if the Board is adopting the budget and granting the \$395,000.

Mr. Siegwarth responded affirmatively. Typically the money is divided up between Education and Projects. This is the first time OHV has had money in a long time. They are setting aside some money for projects. This proposal went through OHVAG and was approved to be forwarded to the Board.

Ms. Stewart requested more in information on the \$395,000.

Mr. Siegwarth responded that OHVAG want to hire one person to manage OHV. It is not one entity. They will divide this money among various projects throughout the state.

Ms. Stewart asked how the \$395,000 will be spent.

Mr. Siegwarth responded that it is like the Trails program.

Ms. Stewart asked who make the decision and what it will be based on. She asked if it would come back to the Board or not. She feels that as stewards of the public's money, the Board needs to know these things.

Mr. Ream responded that it is a pilot program. They would like to get volunteers out to the trailheads and would like to reimburse those volunteers for the cost of the their gas.

Chairman Porter stated he didn't know if that falls under the Adoption of the Budget. He referred to page 73.

Mr. Siegwarth noted that this item falls under Notes and Adjustments – On Site Management - \$395,000.

Chairman Porter asked if this is accomplished by passing a motion adopting the budget.

Ms. Hernbrode responded that the Board approves OHVAG's motion as part of the motion approving the budget.

Ms. Stewart stated that this is a fairly large amount of money. With the Trails program, the Board received a presentation. The Board needs more information on how the program will operate prior to spending the \$395,000. While it's for a worthy cause, the Board has an obligation to the public.

Mr. Cordasco noted that when salaries are paid to ASP they come out of the Operating budget. The Operating Budget has a lot to cover. He asked when these other programs pay for the salaries incurred by staff. He asked if funding comes out of these programs to cover staff salaries.

Mr. Travous responded that for the last few years OHV has been paying for staff salaries. Regarding Ms. Stewart's concern, he noted that staff are long on ideas but short on details. Staff can bring those details forward. He reminded the Board that staff do not just hand money over to people. It all has to come before the Board.

Board Action

Mr. Woodling: I move approval of the FY 2007, FY 2008, and FY 2009 Operating Budgets. Mr. Cordasco seconded the motion.

Ms. Stewart requested the motion be amended to include "with the understanding staff will bring back to the Board details on the new OHVAG recommendation."

Mr. Travous noted that it is recorded in the Record.

Chairman Porter added that it will be on a future Agenda. He then called for a vote on the motion on the floor. The motion carried unanimously.

3. FY 2007 SHPO Workplan Task List – Staff recommends approval of the FY 2007 SHPO Workplan Task List.

Mr. Ziemann reported that there is nothing new in this list. This Workplan is drafted, prepared, submitted for approval by the Board. The Board must approve it in order for SHPO to receive their federal funding.

Ms. Stewart noted that SHPO does a great job with a small amount of money.

Mr. Cordasco added that they are probably being well overworked. With the funding sources available, there is a lot that goes through SHPO. Because there is money available for projects, it means SHPO has more work to do as well.

Chairman Porter asked the Board what make SHPO so distinct within the organization.

Mr. Scalzo responded it's that they have clout. They are a regulatory arm of the agency. He noted that he has not seen the completed version of the plan, as referenced on page 99 of yesterday's Board Packet.

Mr. Ziemann responded that they are organizing the work now. The Board will see something within the next six months.

Chairman Porter stated he would entertain a motion on this item.

Board Action

Ms. Stewart: I move the approval of the SHPO Workplan Task List. Mr. Cordasco seconded the motion.

Mr. Travous noted that the revisions to this plan are not complete until the Board says they are.

The motion carried unanimously.

4. Capital Improvement Plan – Staff recommends approval of the FY 2008 and 2009 Capital Improvement Plan.

Ms. Stewart referred to page 103 of yesterday's Board Packet relating to ASP Capital Improvement Needs and asked what the Board is being asked to approve.

Mr. Ream responded that the Capital Improvement Plan is on page 111. It is a requirement of DOA. The agency doesn't *have* to do this. The Board can change priorities if it wishes.

Ms. Stewart stated that she just wanted to be sure she understood what the Board is approving.

Mr. Travous reported that the strategy is to look at Enhancement Fund items and what districts they are in order to get champions lined up.

Mr. Woodling noted that this is new to him. He is concerned at the high cost of doing business on these capital improvements. He referred to the Sonoita Creek Fence Line. He knows what he could build a fence for. He can build it for \$1.45 per running foot, including material and labor. This cost is 4 times that price. He understands there are hoops that staff must jump through. He sees this all through the Capital Improvement Plan.

Ms. Stewart questioned whether the cost for the fencing on the Sonoita Creek is so high because the terrain is so uneven.

Mr. Travous responded that that's a possibility.

Mr. Scalzo noted that the County has been trying to find other contracts that other agencies have. As government, they (and the state) can use other government contracts if their Materials Director approves it. They are using Mohave's contract for playground shelters because Mohave got a great price and it's an open contract. They work closely with the state on their contracts for materials, contractors, etc.

Ms. Stewart asked if these figures have an inflation factor built into them.

Mr. Ream responded that the agency only gets \$25,000 per year for trails work. Staff just plugged it all in to this project because it will eat it all up. The \$200,000 in Enhancement Fund is not there.

Ms. Stewart noted that Avatar is supposed to give the Board some money each year.

Mr. Ream responded affirmatively.

Ms. Stewart asked if there's a way of working it so they build the fence.

Mr. Ream responded that the agency hired people with that money.

Ms. Stewart asked if Avatar is likely to pay for anything else.

Mr. Ream responded that the agency is not as close as it once was with Avatar because of the Board's decision to back off the Santa Cruz project. They found other friends in the environmental business. Talks continue regarding the little association as far as Sonoita is involved. There are some commitments that remain in the first phase of the real estate transaction. Perhaps when times are better we will become friends again. They like us when we have money.

Board Action

Mr. Cordasco: I move approval of the FY 2008-2009 Capital Improvement Plan. Mr. Scalzo seconded the motion. The motion carried unanimously.

Chairman Porter called for a Recess at 10:10 a.m.

Chairman Porter reconvened the meeting at 10:15 a.m.

E. DISCUSSION ITEMS

1. San Bernardino Ranch

Chairman Porter stated he wanted to give the Board a thumbnail background on what has happened. At the Arizona State History Convention in Tucson in April he was approached by Ms. Reba Granrud-Wells, who is on the convention's board and was also formerly with SHPO. Years ago she was one of the people who put together the historic overview and studies on the Slaughter Ranch before it was purchased by a non-profit 501(c)3 foundation called the Johnson Museum Historical Foundation. She asked if he thought AZ State Parks (ASP) would have any interest in acquiring the San Bernardino Ranch. When he asked what the San Bernardino Ranch is, she told him he would know it as the Slaughter Ranch – everybody does. The real name is the San Bernardino. He had been down there 15-20 years ago. He was intrigued but told her that the agency has no money to purchase something like that and that currently the Board is struggling for every dollar it can get. Ms. Granrud-Wells said she knew that and that she was talking about it being given to the agency with perhaps money following from the foundation for some of its continued support or operations.

Chairman Porter stated that he asked for more information. The ranch itself was originally huge. It was purchased by The Nature Conservancy (TNC) close to 30 years ago. They purchased the entire property and originally planned to give it to the US Fish and Wildlife to be a preserve. They turned the ranch portion of 132 acres down and took the thousands of other acres. There was some glitch in their regulations at the time about taking on historic properties. The ranch itself and its environs are in fact critical historic properties. There is a tremendous history there. It is far more than just a ranch. The site itself is spectacular. He told Ms. Granrud-Wells that the Board might have an interest and asked why they would just give it away. She told him they have reached that point to where the people running it are getting older. In particular, the one who

runs the show is a retired attorney in Sun City, Harvey Finks. He is getting to an age where he worries that they won't be able to continue with the ranch.

Chairman Porter reported that he later found out that the original money they used to buy that 132 acres from TNC came from the estate of a man named Johnson who had frugally built up a lot of money over a period of time. When he died, he told Mr. Finks, his lawyer, that he wanted Mr. Finks to create a trust and find a historic property (preferably something dealing with ranching) that is in need of conservation and protection to be acquired and preserved. They began looking around after his death. Governor Babbitt got involved and promptly took Mr. Finks to Sedona to look at Slide Rock and perhaps acquire it. That blew up almost immediately because at just about the same time ASP stepped in and it became a state park. Mr. Finks said they weren't really that excited about it; it wasn't quite what Mr. Johnson wanted. Governor Babbitt then told him to go down to Cochise County to look at a ranch that TNC had just taken control of. He went down and fell in love with the property. They acquired it.

Chairman Porter noted that, in the meantime, those funds were exhausted. Mr. Finks began to operate the ranch. It loses about \$120,000 per year. It is clear that they have not made much of an effort to operate it in a fashion where it maximizes incomes. No historic property will make money. None of the Board's historic properties make money – nor will they ever make money. Mr. Finks has been funding it by going to others of his clients over the years and getting them to put testamentary dispositions in their wills to leave money to that foundation to continue to fund. They have continued to fund it over a period of years. They still have some funds and are willing to continue to give support and assistance if it came into the parks system.

Chairman Porter stated that he was very clear with Mr. Finks that he was talking as one person and was not committing anyone to anything. He told him he would like to take Mr. Travous and Mr. Ream to look at the ranch. Last week they went to the ranch and spent two days there. There is a time element that is critical. They have a married couple who are running the ranch. He has them for one more year and then they are retiring and leaving the ranch. He does not want to be responsible for trying to replace them. He had almost decided to give this property to the Fish and Wildlife people who could now take it under federal regulations. They would like to have it. Mr. Finks discovered, sometime in the spring, in a breakfast meeting with a Fish and Wildlife official that they did not want to do with the ranch what he wanted to see done with it. He was very put off and upset when he discovered that they would use the ranch as a glorified ranger station for the preserve. That is when he began talking with Ms. Granrud-Wells. The Chairman believes the Board owes her a huge debt. She is the one who suggested he could work with ASP and put him in touch with the Chairman.

Chairman Porter noted that it has been kept very secretive to keep it from blowing up, especially if it turns out that this is not something the Board has interest in proceeding with. Fish and Wildlife believe it is a done deal. Mr. Finks has not broken the news to them that he has no intention of that happening if he has a reasonable alternative. He regards the Board as a reasonable alternative.

Chairman Porter stated that he discovered yesterday morning in talking with Mr. Woodling that the Fish and Wildlife people have actually been dealing with the Malpai

Border Lands Group, a separate 501(c)3 non-profit organization who is looking for a place to build a headquarters and would like to put it on the Slaughter Ranch and use it for a variety of purposes he believes to be very consistent with Parks' approach. Mr. Woodling was shocked yesterday when he discovered that it is not a "done deal". It strikes him that there is a good movement here where the plans for that could be very consistent with it as a parks project.

Mr. Woodling reported that the Malpai Borderlands Group covers about 800,000 acres of planning area – not management area – in both states (eastern AZ and southwest NM) known as the Bootheel. John Slaughter ran cattle into Mexico in the late 1870s-1880s in the San Bernardino Valley, which goes up to Highway 80, almost to Rodeo. He once ran more than 4,000 cows. He was a huge rancher. He was also sheriff of Cochise County. This area has tremendous historic value and significance. The Fish and Wildlife Service came in there with TNC, did not tell any rancher what was going on. Because of this situation with Fish and Wildlife, TNC had a very bad reputation in the Malpai area. The Glens had ranched this area and were on the Slaughter Ranch when this took place. The ranch was their headquarters in the 1950s and 1960s when they first started ranching. This ranch was taken away from them as a cattle ranch through what they claim were the under-the-table dealings of TNC purchasing it and then selling it to Fish and Wildlife.

Mr. Woodling stated that Malpai Group had been negotiating with Mr. Bill Radke, Refuge Manager. The lease runs out at the Malpai Ranch in 2008 and they need a new front office. There have been definite negotiations with Mr. Radke about Malpai either restoring a building, adding a wing to a building, etc., in order to have an office on this property. It would fit them perfectly. When the Chairman approached him yesterday morning he almost fell out of his chair. Malpai had a board meeting in March where Mr. Radke reported in Executive Session (not in an Open Session) that this property was going to be turned over within six months, a deed would be signed, and Malpai would then be able to negotiate. When he heard what the Chairman said he was just shocked. He works closely with Mr. Bill McDonald, the Executive Director of Malpai; he is Chairman of the Board. He knows their board is very agreeable to moving their office to this site if something can be worked out. There has been talk about raising money to build a building. He believes it would be a wonderful marriage. ASP has two ranchers on its Board; this is a great historical property; he believes that Malpai would be very pleased to work with a state agency like ASP rather than Fish and Wildlife. He believes it is a wonderful opportunity if something exciting can be done on that ranch. It's a wonderful piece of property.

Ms. Stewart noted that it strikes her that there are some opportunities there. She's heard about the Malpai Borderlands organization for years. She's heard presentations over the years. They are very well respected. She believes it epitomizes the best of modern ranching in an organization that brings together a lot of individuals. It's a way to bring educational information and expanding what a park would have to offer. One of the problems with historic parks is that they just have the historic element. You can't bring in enough people to support it. If, however, there is an educational component, having a something in addition to having their headquarters there, that interacts with the public, it brings in a whole group of people who might not otherwise come. There

would be a lot of things that the Board and Malpai could do together to make it a more viable operation than singly.

Mr. Woodling responded that Malpai would have at least two onsite staff there daily working for Malpai. There was talk at their last board meeting that if this ever came about, one of their staff could help in a gift shop part-time. There could be a lot of working together. There are two negatives to this piece of property. It is right on the border with Mexico. There are a lot of illegal immigrants who come through there. The road is atrocious; from Douglas out it's paved a few miles. There is a gravel pit on the Glenn Ranch. From that entrance the road is pretty well beat up by gravel trucks. They have a lease with the Glenn Ranch to sell gravel to a company six months out of the year. The road is, at times, almost impassable. That is one reason why this area is not well-visited. To pave the turnoff to the Slaughter Ranch would be a tremendous undertaking. Another positive aspect of this property is that there's a rancher named Joe Austin who has a lot of money and lives in the Chiricahuas. He's bought up 4-5 ranches in the area around Cochise Stronghold. He has purchased all of the ranches that used to be part of the Varela property in Mexico and part of the Slaughter Ranch in Sonora. He owns 5 ranches along the NM border along Highway 2 and controls that area as far as illegal immigrants. He is a friend of Malpai and is one of their advisors. The Board would have an international cooperation with Joe Austin in Mexico along his ranches with the Malpai Ranches in AZ and NM. This ranch sits right in the middle of all the work that is going on with conservation easements and watershed restoration from Joe Austin in Old Mexico to the ranchers in AZ and NM. It's a prime piece of property and has a lot of opportunity.

Chairman Porter noted that a major concern when he went down there was that, like San Rafael, it actually has a border fence. They do not seem to have an immigrant trespass issue anything on the level such as San Rafael. He believes it is because they are far enough to the east so that it's not quite as handy to get across and up into more populated areas.

Chairman Porter added that the Board needs to understand that this is not just a historic property sitting there as a museum. It has an active and functioning herd. It is precisely the sort of thing that Mr. Hays so dearly wanted to see at San Rafael. It is not just a herd of 14 cattle, including 4 newborn calves this year; it's 14 longhorns. Slaughter originally came into AZ driving a herd of longhorns from TX. Something that Mr. Finks and his group does is pay the schools in Cochise County to bring their kids to this ranch for an education on how a ranch was operated and is still operated and to get a feel for that part of history. They pay the school system \$1.50 for every child who is brought out there. Mr. Finks stated that their foundation will continue to subsidize that operation for as long as they possibly can. It is already an educational opportunity. Regarding the meeting room Malpai was talking about building, they need a meeting room that will handle around 50 people that they would use probably 4 times a year. He suspects that would be a very good classroom at what could be the ranch headquarters building.

Mr. Cordasco asked the Chairman what he wanted from the Board today.

Chairman Porter responded that the Board will not vote on anything else today. The Board needs to leave this meeting with a sense of whether or not this is something the Board really want to proceed with doing the negotiations and see what staff could come up with and bring back to the Board as a specific proposal. He doesn't want to do that if there's a feeling on this Board that this is not something to pursue. He wants to know whether the Board feels, yes, this is something it really ought to be looking at regarding proceeding down the road with the process.

Mr. Cordasco responded that, with that being said, could there be a 3-minute discussion on whether or not the ASP can even handle pursuing it. It's one thing to get a history lesson, but his concern is whether the agency can handle it. He reminded the Board about Picacho Peak. They came and visited the Board about all the great things at that park. There are going to be some good things that may not equal this opportunity. The Board has just come out of discussions that said the Board has no money. Now we're saying we're going to add more parks. We need to know how we are going to handle them.

Ms. Stewart stated that it's important for the Board to talk about that after seeing the presentation. She noticed that Newsweek and several other mainstream magazines all had on their covers stories on the greening of America – people becoming more concerned about the environment and, particularly, water issues. There may be a third opportunity to work in some of those kinds of things to make this something that is an environmental education area as well.

Mr. Ream presented a PowerPoint presentation on the San Bernardino Ranch. It is on a dirt road 16 miles from Douglas. He noted that all the buildings on the ranch are in very good shape, having been completely restored in 1985. He referred to a slide showing some of the exhibits. He referred to a slide of the ranch house. He noted it is in excellent shape. The ranch house is between 2,000-3,000 square feet.

Mr. Travous noted that, structurally, everything looks very good.

Mr. Ream referred to a slide showing the trailhead to the military outpost.

Mr. Travous noted that during the time of problems with Pancho Villa, the military came out and established a place at the top of the hill where they could monitor Pancho Villa. Remnants of the side walks they build can be seen if one knows where to go. There were several thousand people there monitoring Villa's movements. They had a large military operation there.

Ms. Stewart asked if that is on the property.

Mr. Travous responded that it is. It's separated from the ranch house by a pond and small grass area – perhaps 100 yards.

Mr. Ream referred to a slide depicting the pond. It was there during Slaughter's time and is fed by artesian springs and wells. It is constantly filling up. It is about 20 feet deep towards the middle. It contains a number of endangered fish under the care and protection of Fish and Wildlife.

Mr. Ream reported that there are monuments throughout the ranch. Facilities include a large barn with a loft, picket fence surrounding the ranch house, cattle pastures, the

park office where they collect fees and disseminate information about the Slaughter Ranch, and a double-wide 3-bedroom mobile home with full kitchen.

Mr. Travous explained that tucked away behind the Slaughter Ranch house is where the family lives and a double-wide trailer that Mr. Finks uses when he visits.

Chairman Porter noted that there are actually two separate residences on the ranch that are hidden from view by the ranch house.

Ms. Stewart asked if they make any money on the gift shop.

Mr. Ream responded that it's just books, periodicals, and maps. It's more of a book store.

Ms. Stewart asked how far it is to Douglas and whether there are places for visitors to stay in Douglas.

Mr. Travous responded that they could stay at one of several hotels in Douglas. It is 17 miles due east. The turn-off is not well marked. They are only open 4 days of the week from 10 a.m. – 3:00 p.m.

Mr. Travous noted that it is a beautiful place. It is well-maintained and the buildings are in wonderful shape. Not a lot of money needs to be spent to bring it up-to-snuff. They put a lot of money into it and one can see the fruits of their labor. They probably have more grass on that ranch than all the combined grass in the parks system.

Mr. Travous stated that, that being said, there are a couple of things to consider. As the Chairman stated earlier, the ranch loses \$100,000 a year - \$60,000 of which is in salaries. It is remote from everything. If the Board decides to pursue this property, there are three things we need and strategies to be followed.

Mr. Scalzo asked if the Board needs to go into Executive Session since this is a real estate transaction.

Ms. Hernbrode responded that there are a couple of problems with that. First, there is no Executive Session noticed for this Board meeting. The second problem is that case law has narrowed the property purchase Executive Session to instructing your representatives as to the actual negotiation strategy – you can pay up to \$X per acre but we'd like to pay \$Y. Everything else about the purchase, including the location of the property, would have to be in Open Session.

Ms. Stewart noted that, realistically, the Board needs to look at the fact that people do not come to the Board's meetings or look at the Minutes on a regular basis. A lot of what the Board does never gets around.

Mr. Travous reported that, if the Board decides to pursue this, the three things the Board needs are:

- (1) Support from the Governor's Office. Even with the letter received on the intent of the land purchase, she was not behind Tamo. She signed the bill, but staff heard a lot from the Governor's Office that they weren't all that engaged. Staff were starting to get crosswise with her staff.

Ms. Stewart suggested that the reason may be that the Sierra Club got involved.

Mr. Travous responded that, regardless of the reasons, he does not want to get crosswise with the governor on this.

(2) Legislative support.

(3) The agency will lose \$250,000 a year on this property. They lose \$100,000 per year; because of the way things are done, the agency's cost will be \$250,000 per year.

Mr. Travous stated the reason the Board needs legislative support is that there is both an inside game and an outside game that is played in state government. When we act as a Board and do things with the Heritage Fund, we say we are outside of state government. That outside game irritates the legislature. The reason he says we need legislative support right now is because we are all talking about the need to fix our budget. If this is not done strategically, the Board will be asking them to fix its budget on the internal side while doing something that could affect the budget on the external side. It could really hurt on both sides. The Board needs to be very careful on this. The time frame was problematic for him knowing that the Malpai group could be an intermediary. He wants to be sure that in the process of fixing this the Board doesn't forget that it's got a budget problem to solve. He does not want this to screw that up.

Chairman Porter asked if he is correct from yesterday that there would probably not be a need for a formal legislative enactment because the Board is dealing with less than 160 acres.

Mr. Travous responded affirmatively. He added that staff needs to know what the Board thinks and let staff come back, if the Board wants, with a strategy.

Chairman Porter apologized to Mr. Cordasco for being so abrupt earlier. He is excited about this opportunity and wanted to get to the presentation.

Mr. Cordasco stated that he is appreciative of the Chairman's feelings. He thinks the Board is expressing a significant frustration that it wants to be able to have these opportunities and not have to sit here and have a discussion about fixing budgets at the same time. This is an outstanding project. He doesn't think there can be much more of a conversation about it other than to say it is an outstanding project.

Chairman Porter responded that he does not want to waste staff's time trying to come up with strategies if, in fact, the Board feels that it just cannot perform on that project.

Mr. Cordasco asked what would make that decision for the Board.

Chairman Porter responded that what he just heard from Mr. Cordasco is the feedback he wanted – that it's an outstanding project. He is not hearing that this is not something to be involved with.

Mr. Scalzo stated his agreement with Mr. Cordasco that the Board has to get its act together first with the budget. He thinks there is a way to approach this that doesn't cost the Board any money, and that is the Growing Smarter money that goes to the ranchers. They could acquire this through that money. They are a third party who partners with the Board. The Board has no operational costs. The organization down there would actually acquire the ranch. It's a joint operation with the federal

organization and ours. We have no operational costs. We are one of the three partners, like at Spur Cross. That way it's held and preserved. They will have a presence there, Fish and Wildlife has a presence, and the Board has a presence where it can do seasonal programs that might make sense and work with the other partners who will actually own it. There are a lot of things the agency has its name on. This would avoid the major operational cost the Board would incur. We would be partners but not financially contributing partners except for programmatic staff who work out of there part of the season until some time in the future when staff could work the legislature and governor to become the lead on it. Then it doesn't get lost. That is the only way he could support it. It is not financially feasible.

Ms. Stewart stated that she appreciates the concerns Mr. Cordasco and Mr. Scalzo raise about whether the Board can afford it. That was an issue when the Board began talking about Tamo, too. Sometimes the Board has to look at whether an opportunity is so outstanding in terms of it only comes once and whether it expands what the Board can do as an agency in terms of its leadership role and the kinds of offerings the Board can provide at a particular property. Is this an outstanding enough opportunity that the Board does what has to be done in order to make it happen? She doesn't know if the Board is in a position to make that kind of decision. She doesn't know that this has to be an either/or situation. She believes that sometimes if one operates on that kind of mindset, perhaps the most outstanding opportunity is lost. It seems to her that there are several things that came out that distinguish this from the Board's other historic parks and make it something that has the potential for so many more dimensions. Perhaps it can be done in a way to get some lease money or donation if the Malpai are on the property. Perhaps there are things that can be done with Game and Fish or Fish and Wildlife if it's in their breeding program. It would be in their interests to see that this kind of thing continue. There may be a way for involving other agencies. She's not sure if the Board is not the owner if it ever will be able to become or step into the role it wants.

Mr. Cordasco responded that the Board doesn't own half of what it manages now. So why would that be different? He noted that the Chairman wanted this presented so he could get a feel for whether or not everyone thought this was a good project. He thinks this would be a great project. If that's all the Chairman is asking for today, that's his response. After he has the Board's concurrence, schedule it out and do whatever needs to be done. Staff will present all kinds of ideas out on how to structure something.

Mr. Woodling raised the issue of whether he has a conflict of interest in being a member of the Parks Board and Chairman of the Malpai Group. He requested clarification. He was in a meeting at Malpai in March and thought Fish and Wildlife was going to get this property and Malpai would lease it. The thought came up that Malpai could actually own this property, fix it, and donate it to the Parks Board. Malpai has never taken property in ownership. That would be a whole new area for Malpai. He's not sure what his role is in either organization, but he doesn't want to do anything that puts him or the Parks Board in jeopardy. He may have to recuse himself from this conversation later on and may have to recuse himself from Malpai. This is a very sensitive issue with him and he doesn't want to cause any problems with the Attorney General's Office.

Ms. Hernbrode stated she would be happy to walk Mr. Woodling through the conflict-of-interest analysis during a break.

Mr. Cordasco noted that this is just an idea that came up today. Let's just forget all of this. Isn't the Chairman simply asking if the Board is interested in this project and then let staff go figure out whether or not there is reason to move forward?

Mr. Woodling responded that he just wants the Board to understand his position.

Chairman Porter responded that Mr. Woodling was correct to ask the question.

Ms. Stewart added that Mr. Woodling has given full disclosure.

Mr. Scalzo stated that he agreed with Mr. Cordasco that the matter be turned over to staff. However, if it is turned over to staff he wants staff to realize, from his perspective, that he won't support it if it costs any money other a de minimus amount to be a park. He believes the Board's primary objective is to get the budget in shape and give the Board the freedom so that when these issues come up the Board can make a decision. He finds the strongest and best strategy to be if the Board gets a minor role in this relationship that provides an opportunity to get a major role sometime in the future.

Chairman Porter stated he appreciated Mr. Scalzo's comments and added that that is part of the picture.

Ms. Stewart stated that she did not disagree with Mr. Scalzo's comments, but doesn't know that she would go down to the de minimus point because she thinks the Board has to look at not only the potential in terms of serving the public and visitors but also in terms of whether the Board creates new partners and new relationships and new friends who then bring the Board money for the system.

Mr. Scalzo responded that if an agreement is put together that is sound with a good partnership, that partnership may allow the Board at some future date to take a much more major role if they desire to take a more minimal role. If the Board were working with Malpai or the feds, the agreement could include opportunities for adjustments if funding is available. It is much easier to take that to the legislature and say, "We're going to have a minimal role because we want your support."

Chairman Porter stated that he would oppose to his dying day the use of the term "minimal".

Ms. Stewart ask if staff have any sense of whether or not the foundation that supports the ranch has sufficient assets to be a source of operations.

Mr. Travous responded that staff do not know. They said there are some funds out there, but not to what extent.

Chairman Porter added that he deliberately did not push that because he felt it was a little premature. However, it was volunteered to him by Mr. Finks. Mr. Woodling said the same thing. Malpai's negotiations with them was with the understanding that they would continue to add funding into that operation and he made the comment that they would continue, for at least a while during transition, to pay salaries and support other projects. He certainly did not get the impression that they would do less than

everything they were able to do. They also make it clear that they are willing to continue to pay the salaries for at least some period of time.

Mr. Travous stated that he can be an intermediary for both groups (Malpai and the Board) because he does not have a conflict of interest with either. On a sliding scale, the quicker the Board moves and the more money that is involved, the higher the risk the Board exposes itself to. Under the scale, the quicker the Board moves and the more money involved, the Board sets itself up for greater risk financially and politically. He will try to find some movement there to ensure the Board is involved but not risking it.

Mr. Cordasco asked what political issues Mr. Travous was referring to.

Mr. Travous responded that the political issues are back to the governor and the legislature.

Mr. Ziemann explained that the political issue is that staff are going to go down and tell the legislature that the agency is flat broke and has buildings falling down; but at the same time the Board is going to take on a property that is going to lose \$250,000 a year. Additionally, this is in the district of Manny Alvarez, Jennifer Burns, and Marsha Arzberger – all Democrats. Ms. Burns is a very moderate holdout Republican.

Mr. Travous added that there are no champions in this legislature for historic preservation.

Ms. Stewart suggested not looking at this as a historic property but, instead, looking at other opportunities. The first reaction is that this is a historic park. But it's so much more.

Mr. Cordasco added that it's also ranching and native fish

Chairman Porter asked staff if they are comfortable with the input from the Board.

Mr. Cordasco asked what kind of timeline the Chairman is looking at.

Chairman Porter responded that he knows that the biggest problem is that there is an owner that has said he will give it to the Board, but if the Board is going to do this then it must be soon. Otherwise he will have to give it to Fish and Wildlife. If we can get beyond that and buy some time, it might be possible. He doesn't know where this will go. He didn't want staff going forward and putting a lot of time in this unless the Board was comfortable with them doing that. He detects that comfort zone is there.

Mr. Cordasco thanked the Chairman for bringing this information to the Board.

Mr. Woodling noted that Malpai's Executive Director, Mr. Bill McDonald, does not know about this. He requested direction from this Board as to what he should or should not say to the Malpai Board or to Mr. McDonald.

Chairman Porter responded that the only response he can give to that question is that it is his intention to set up a meeting soon with Mr. Finks. He will ask Mr. Finks to let the Fish and Wildlife people know where they are – that, at a minimum, it is not a done deal. Once he's done that, the Chairman believes it frees Mr. Woodling completely to talk about it. He believes Mr. Woodling is free anyway to do so. It may be diplomatically wise to hold off long enough for Mr. Finks to talk to Fish and Wildlife.

Mr. Woodling noted that this puts him in a very awkward position, especially if Mr. McDonald comes to him and says he heard Fish and Wildlife is out of the picture and that Mr. Woodling had a discussion with State Parks about this.

Ms. Hernbrode noted that this discussion has been in Open Session and is public information.

Chairman Porter added that that is why he said he believes Mr. Woodling is free to do whatever he feels he needs to do. He will get in touch with Mr. Finks very swiftly to let him know that the cat will be out of the bag since this was an open meeting and that, if he wants to let Fish and Wildlife know, it might be time to do so.

2. Contact Point

Mr. Ream apologized for getting the preliminary Resource Management Plan to the Board so late. He knows very little more than what's in this plan. The only thing he can do at this point is make some analyses based on the plan he has read.

Mr. Ream pointed out that the format of this plan is very similar to the plan done for Tam O'Shanter Peak. It looks at the various strategic plans, the Vision, the Mission, the legislation, etc. Some are perfunctory because everyone agrees somewhat that Contact Point has great potential. What is unknown is whether it has the potential to solve all the problems of Mohave County and San Bernardino County and Lake Havasu City. That is probably the one part of the analysis that staff really needs to delve into. He noted that he is not prepared to analyze every aspect based on what he has here. This is preliminary. His first meetings with the BLM were, "I'm going to do this, I'm going to get what I can from you to put into the plan." He will go back and meet with the head of the BLM. The same week he does that he will meet with the City and then decide if there should be a meeting of all three. He does not think the Mohave County Sheriff is a big player in the planning process with the City, BLM, and ASP. Those other players will be brought in based on the analysis of everything being offered. He certainly does not want to start off with the Chemehuevi.

Ms. Stewart noted that this document introduced what appears to be a new twist. She referred to page 4 where it discusses a 320-acre parcel of BLM land. Then, on page 6, it says, "Without acquisition of the additional land, ASP may forfeit the diversity of potential development . . ." She asked if this is the same piece of land that the education people want.

Mr. Ream responded that it is. It's not that staff said the agency does not want that piece. The agency has always wanted it since the 1995 land exchange. It was never up for disposal. It really wasn't until the education people mentioned that it was available that staff knew it was available. It became known to him that that piece of property may come up for disposal after an hour-long telephone discussion with the Mayor of Lake Havasu. Apparently, at a meeting with the head of BLM, there was a large map of Lake Havasu and the Mayor pointed to that property and said he thought that was a good place for a college. Then the Board met at Boyce Thompson Arboretum (BTA) in May and listed Contact Point on the Agenda. Those people came and said they were interested in putting a university there. He believes they are farther off of their dreams of a university than the Board is on its dreams of Contact Point. Needless to say, he

wants to tell them that it's not that the Board is not interested in the 320 acres; it is not necessary to our development. Staff are saying that it would be better to control most of it even if it were just ASP and the university to ensure if it is disposed that it's not disposed to a commercial venture that would detract from what we want to do.

Ms. Stewart noted that what kept coming to her when the Board was at Contact Point was that it's a beautiful piece of land. There's not very much of it. People had an awful lot of plans for that piece of land. It will be a challenge to be able to do it in such a way that it remains attractive. There's a concept that if one overdevelops something for its size, it really doesn't retain its attractiveness so that people want to go there. Part of the reason they want to go there is because it is such a wonderful piece. It appears to her that it is key to have that piece. The Board did not get any sense of what was going to drop off if we didn't get it.

Ms. Stewart added that it concerned her that the list on page 2 of the improvements talks about a multi-agency visitor/environmental education center. It also mentions a nature preserve/constructed riparian ecosystem. She could find no analysis or discussion of any of that whereas there was quite a bit of discussion about a marina and other things.

Mr. Ream responded a group is working on the multi-agency visitors center/environmental education center. They gave a brief presentation at the Lake Havasu meeting. The representative from the Fish and Wildlife spoke about it. Staff have never really told them that the Board is interested in providing that space for them. It's part of the "wish list". Staff have not analyzed that part yet.

Ms. Stewart noted that that was part of what the Board asked to have analyzed.

Mr. Ream responded that it did suggest that if a new public safety center was created then the multi-agency visitors center/environmental education center could possibly fit into the current public safety center.

Ms. Stewart responded that it wasn't just the multi-agency visitors center; it seemed like the environmental education center kept turning into the multi-agency visitors center. There were a lot of people talking to the Board. It was the environmental educational component that they particularly wanted to have because they saw it as something that wasn't just an attraction for Californians but something that would be for the people who live in the community.

Mr. Ream noted that it is addressed in the document. It talked about using the current water safety center as that facility if we move the water safety center over to the public safety area.

Ms. Stewart responded that there wasn't an analysis of how it would all work like there was with some of the others.

Mr. Ream responded that staff are not exactly sure how it will all work. Ultimately, staff would like to take this document, develop an RFP, and hire a firm to do a study on the property to find out what the feasibility is for doing anything the Board wants to do out there.

Ms. Stewart asked if, before going to that stage, the Board doesn't really have to find out if it can get that 320 acres. It appears that staff would want that firm to discuss the difference if we have the additional land than if they only look at the Board's part. If the feasibility study is done only on the land the Board owns, and hasn't included the 320 acres and it becomes available, then the economy of doing it all at once has been missed. If staff assume the Board will get it and it doesn't, then there's a different problem to deal with. It appears that the Board has to get a clearer idea of its chances of getting the 320 acres.

Mr. Ream responded that one of the reasons staff sat on it for the last 5 years was not knowing whether or not the agency will get the 2 sections that were promised in the MOU. It wasn't until the Lake Havasu meeting that he got the direction from the Board to proceed with this. Staff found out about the 320 acres that may be eligible for disposal after that meeting. He agreed that it would have a bearing, but the direction he received in the May Board meeting was to see what we could do with what we have.

Ms. Stewart responded that, based on what this preliminary analysis shows, we may be severely restricted in what can be done with the land the Board has. Since Mr. Ream has just told the Board that the whole climate may be totally different than what was thought the last 5 years on the BLM land, it might be better to take a little bit more time and explore whether there really is any change.

Mr. Ream noted that, according to this preliminary plan, the draft Management Plan will be available in September and open for review. It wouldn't be finalized for a year after that.

Chairman Porter stated that the Board does not have that timeframe.

Mr. Ream responded that assumptions can be made on it. The Board can certainly get the mile-long right-of-way BLM promised across Section 24 going to the property from Acoma Street. He apologized if he wasn't clear on the nature center. The 320 acres was a staff analysis of why it should be included.

Ms. Stewart noted that that is important information.

Chairman Porter noted that the Board does not have the luxury of waiting on that.

Ms. Stewart asked if the analysis will include with and without the land.

Chairman Porter responded that he believes it has to be without.

Mr. Ream noted that the agency does not have the money for the analysis.

Chairman Porter responded that it does. He has received numerous phone calls and comments by the elements in Lake Havasu City. Their very point is that there is money. If the Board but asks for money, they will bring money forward – whether it is from the City, private development, or whatever. They thought they made themselves abundantly clear when they came to the Board meeting that they were prepared to put money into this immediately when we wanted them to do so. That meeting was in February. They're getting very agitated that this is not moving along. They don't see any appreciable significant progress. He has been telling them repeatedly that is not the case.

Ms. Stewart asked how it will look to the rest of the legislature. This is the same issue the Board was just talking about with the Slaughter Ranch – it's going to cost us \$250,000 a year to operate. This says it will take 8 FTEs to operate. Where are we going to get that money?

Chairman Porter responded that their answer would be, once again, that the Board hasn't even talked to them about what they are willing to do in that regard. He believes that to be true. The point he is making is that we probably need, very soon, to call them in on this to see what they really are willing to fund and what, if any, strings may be attached. If there are strings the Board can't live with, we need to know that, too.

Mr. Scalzo noted that it is the City of Lake Havasu that wants to pursue this. He believes the only way the Board could do it is through Intergovernmental Agreements (IGAs) where they agree to provide the funding to do the study. If the Board moves forward, they commit to providing at least a portion of the operational costs. The Board would not be creating a cost; it would be creating an opportunity with a partner who, by an IGA, has agreed to pay for it.

Chairman Porter responded that he believes they were saying that they have money they are willing to put on the table. If it were the developer, the Board would have to understand there would be a problem with the perception of personal gain to come from it.

Ms. Stewart noted that the Board cannot go out on its own RFP that it is financially obligated on until there is an IGA in place that they will put up money.

Chairman Porter stated that the point is that the money cannot be the angle because there are people who are saying they will put money into it. The Board needs to call that in and, if they are not serious, the Board needs to be able to say that is why the Board can't do it. If they are serious, then the Board needs to get money and get things going.

Mr. Travous stated that staff still needs to know what is doable on the land – with or without that 320 acres. The more we bring other people's money into it, the more the Board dilutes what it wants to see from its perspective.

Mr. Travous stated that he anticipates that there will be money in SLIF that will not be expended for grants in September. As he's looked at it, there are some applicants with some real problems. He proposed that staff tweak this plan so it can go out for an RFP that has both what the Board owns now and what could be done in addition if the Board has the 320 acres, and use some of that money. That way, the Board plans the land it doesn't necessarily own. When the Board gets that plan and sees what it can do, then get the City as a partner.

Chairman Porter asked what the timeframe would be.

Mr. Travous responded that we're talking initially about an RFP in October or November. It will probably cost \$1 million.

Ms. Stewart asked, if this is grant money, how the Board can take it and use it for itself.

Mr. Travous responded that the process is that the Board can use any of the SLIF money for those types of things.

Ms. Stewart asked if there is a statutory requirement or regulations to say what money will be used for grants.

Mr. Siegwarth suggested it would be wise to have it reviewed by the JCCR. They review all capital projects, all grants, and the Board can make the case that this is an operational issue. But, by the same token, a very strong case can be made that this is the beginning of a capital project.

Mr. Travous stated that this is a major development of the last piece of developable land on Lake Havasu. The interest is very high. It would be to our advantage to have a firm come in (including 404 permits from the Army Corps of Engineers). It is possible that staff could go out and do all this and then find out that someone in San Francisco disagrees with it. He suggested that the staff take this preliminary plan as a guideline, bulk it up, and bring it back to the Board in September. It will cost \$1 million. We're probably talking \$20-\$30 million in initial investment on that property. It will be a big event.

Ms. Stewart noted that this is something that could break the agency if it's not properly thought out and done right. Notwithstanding the pressures being exerted on the Chairman, she believes that it is far more important that the time be taken to do it properly, to go through the channels, and to ensure that this doesn't have a negative impact on the message of the rest of the budget.

Mr. Travous added that this firm would do all the public meetings. It's not just the engineering and soils and rock and slurry, etc., but they could do the public meetings and bring that package back. This firm would take what the Board thinks needs to happen and take this bubble plan and give the Board a Master Plan. Within that, the Board can see whether it wants private development or not.

Chairman Porter asked how long it will take for that firm to come up with a plan.

Mr. Travous responded that it is generally 6-9 months.

Chairman Porter stated that he needs to know timeframes. He is the one getting the calls.

Mr. Scalzo noted that when he sets up a selection committee for a consultant, he sometimes involves the local community.

Mr. Travous suggested that the Board pay for the studies and include Lake Havasu, someone from the County, BLM, and perhaps Northern Arizona University on the selection committee.

Ms. Stewart noted that it will cost \$20 million to build it. She asked if staff have any projections of what it will bring in.

Mr. Ream referred to page 13 of the document.

Mr. Travous noted that staff have their ideas. He noted that he was part of the selection committee for the tramway they were looking at in Catalina. These firms came in and

brought their economists with them . They started talking about maximizing usages. These are the people with that expertise. They bring the whole package. While staff have done that in bits and pieces, this is the big one.

Chairman Porter stated that he is hearing the things he needs to hear. He noted that he is extremely uncomfortable with being cast as a spokesman. He does not want to be that and is not supposed to be that. He asked staff, in the aftermath of this meeting, to contact Lake Havasu government and whoever else needs to be involved, and let them know precisely and exactly where we are and what the methodology will be and timeframes so that he can comfortably tell their representatives and former senator and others who will be calling him at home tonight wanting to know what is happening. He asked staff to get the information to them.

Chairman Porter noted that the Board has a piece of property that is the hot point of a lot of different entities, people, and organizations.

Mr. Woodling asked where this came from.

Chairman Porter responded that the Board held a meeting in Lake Havasu in February. The Board instructed staff to get this information before them at this meeting.

Ms. Stewart stated that she felt that, in terms of fees the Board might be able to collect, this is perfect for the same kind of agreement the Board entered into at Red Rock that, for allowing access to the park from the development, they had to purchase an Annual Pass for each of the people who live there. It seems that the Board would want to require an Annual Pass for anyone who has a boat there. They are not going to be coming in and out and paying the fees. The Board certainly doesn't want to say that anyone who has a spot at the marina gets to come in free. As part of the contract, there will have to be an Annual Pass for each of those boats.

Mr. Scalzo noted that he never saw the agreement for Red Rock. He thought it was coming back to the Board.

Ms. Stewart responded that she thought it did come back because she made a number of amendments.

Mr. Ream added that the Board voted on it and passed it.

Chairman Porter noted that staff really need to move on this as fast as they legitimately can.

Mr. Cordasco asked to recap exactly what staff are moving on. It would be to fund the EIS work.

Mr. Travous responded that it would include all of that. In September staff will push for an RFP that will encompass all of that; we will go out to engineers for someone to do the engineering on all of this. In the selection of those engineers, the local community will be included for their buy-on.

Mr. Cordasco responded that the RFP is a development plan for that area. He asked when the Board would review the development plan.

Mr. Travous responded it would be in about 9 months to 1 year.

Mr. Ream added that it will take an EIS and a full NEPA process. It most likely will take a year.

Mr. Travous added that if the local community is part of the process, it is them telling us rather than us telling them. They can call the City Manager to find out what's going on.

Mr. Ream noted that there is one other hoop. It is not just BLM land. There is also the Bureau of Reclamation. They are the "big boys" on the Colorado River and they are tough. There is a major wash that comes through the property.

Ms. Stewart suggested that the Board needs to find out if there is any legal problem with the Board using the left-over grants money. Mr. Siegwarth had suggested going to JCCR.

Mr. Siegwarth responded that the JCCR is one thing. The Board has an MOU with AORCC as to how the money is distributed between grants, ASP's capital projects, and ASP's Operations. We have deviated from that MOU agreement over the last 3 years, as we are this year. He does not believe there is a problem with the statute because it is the Board's standing agreement with AORCC that determines how the money is split between ASP projects, grants, and Operations.

Mr. Hernbrode stated she will look into that before the Board actually moves into that. The statute does mention a review by AORCC and there is that agreement.

Ms. Stewart noted that the Board would first have to make a motion to ask AORCC to do it and then AORCC would have to come back to the Board.

Mr. Travous pointed out that AORCC is advisory. The Board needs to remember that. The statute does not say AORCC has to approve; the Board approves.

Ms. Stewart responded that the Board has a written contract with them.

Mr. Travous responded that there is an MOU of what the percentages should be.

Ms. Stewart noted that she did not know if the staff could go to AORCC and tell them that the Board wants to change the percentages. In order for that to happen, the Board would need to make a motion.

Mr. Cordasco noted that the Board is doing the best it can. Discussions on this issue are taking place. It is not appropriate for someone to come and start telling the Board how to move around.

Ms. Stewart added that if it were a corporation, they wouldn't be doing something the next day. They'd be going through the same kind of process the Board is. It would take some time.

Chairman Porter responded that their impression already is that the Board are dragging their feet and are not serious about it. He is not saying these comments are true.

Ms. Stewart noted that they have to consider that the Board's staff have other things to work on as well. This is not the only thing happening.

Chairman Porter agreed and repeated that, in all good faith, he is simply telling the Board what they are saying.

Mr. Cordasco asked if it is clear, then, that staff needs to figure out a way to communicate to the local community.

Chairman Porter agreed that to be the case.

Mr. Cordasco noted that it doesn't sound like their issue is that ASP is not moving fast enough. It sounds like they want communication.

Chairman Porter responded that that may be the case.

Mr. Cordasco noted that the Board has had talks with people from Lake Havasu on several other grants and issues.

Chairman Porter responded that he believes there is the perception on their part that they don't know what the Board is doing. He doesn't buy that as being legitimate. However, that is their perception.

Ms. Hernbrode stated that, as a procedural matter, she appreciates that this planning session has been a conversation of the Board and staff. She advised them to be very careful about not having side conversations that cannot be placed into the Minutes. For instance, if there is a 5-member board with 3 members present and 1 member is working on his/her Blackberry and having a conversation with someone else, there is an argument that a quorum does not exist because that person is not paying attention to what's going on. There have been some side conversations going on today that makes it very hard for the Secretary.

Mr. Ream stated he would be remiss if he did not thank his team who put this together. The team was headed up by Mr. Ray Warriner, Lands Acquisitions; Charles Eatherly, Executive Assistant; Tom Tyndall, GIS expert in IT; Dan Shein, Chief of Resources Management; Tanna Thornberg, Planning; Liz Krug, Marketing; Annie McVey, Non-Motorized Trails; Amy Racki, Motorized Trails; Joanne Roberts, Resource Ecologist; Rick Knotts, Regional Manager; Paul Govino, Chief of Development; and Mark Siegwarth, Assistant Director of Administration. This team began work on this project in May. They were working on several other projects and it took several months to clear the path to begin working on it.

Ms. Stewart stated that they do a good job of bringing out things that people might not otherwise think of.

Mr. Ream stated he couldn't imagine what this report would have cost had the agency had to go out for consultants. The RFP for it would certainly not be done yet.

Chairman Porter asked that no one take anything he said as expressing any dissatisfaction with the Board's staff or with the organization. He is simply reflecting the views being directed to him from entities with which we probably will have to work with.

Ms. Stewart noted that if it's worth doing it's worth doing right. We are talking about something that is of major magnitude that will affect the agency either positively or negatively depending on how the Board does it.

Mr. Ream responded that staff have more than an idea now so he can continue with his meetings.

Chairman Porter stated that he felt that was important. He feels Mr. Cordasco hit the nail on the head – it's as much a communications perception than anything else.

Chairman Porter called for a Recess at 12:10 p.m. He reconvened the meeting at 12:20 p.m.

3. Continue Discussion on the Agency's Future Direction, Where It Needs to Go, and How to Get There and Possible Adoption of Board and Staff Action Plans

Ms. Stewart requested the Director to give his preliminary thoughts about yesterday.

Mr. Travous wanted the Record to show again how much he appreciates Ellen Bilbrey's, Jay Ziemann's, and Mark Siegwarth's work on the presentation he gave yesterday.

Mr. Travous stated that, from his own perspective, staff will bring a strategy to the Board in September. There are two things that are going on that can't wait. They are the Growth Initiative that the governor is working on right now with her staff and the new initiative the Heritage Alliance will be working on. He will spend time on both so he can give the Board a better idea of what's going on in those two arenas. If there's something in particular that needs to have attention, he may call on members of the Board to attend something or give feedback.

Mr. Travous added that other things he heard include the need to market who we are. That could include a name change but doesn't necessarily need to. There is a need to market our problems. We have issues but don't get the word out. There is a need to make the case for bringing our parks up-to-snuff. Fixing those buildings that are falling down. It could include getting photographs of or a CD that shows problems at historic parks and get that information out to the public and share the problems the agency is facing with those outside.

Mr. Travous noted that the two main thrusts of the strategy will be getting with the governor early while she is developing her budget and getting with the legislature and gaining support for the agency. In that area, there are some people who need to be tapped to go along with staff.

Mr. Travous added that there was something that dawned on him today while discussing the San Bernardino. It doesn't hurt for our partners to sometimes be angry if they know that our hearts are in the right place. If we start doing things that make them more aware of our problems, they need to know that we still have everyone's interests at heart but that we need some help from their side.

Mr. Travous added that, beyond that, were the capital budget and how it is put together and giving it more political thought and getting ADOT to increase their input from \$2 million to \$5 million per year.

Mr. Travous stated that that is about all he has from yesterday's discussion. It all comes back to the external/internal thing staff are trying to do and how to go about it. He believes that one of the two things that staff are prepared to move on is the governor's Growth Initiative. There are a lot of conservationists telling her that she's not had a

conservation agenda. If it's going to happen it will happen in this term. The Board does not want to be in the same position it was in with the State Trust Land Reform initiative. The Board wants to be a part of the solution. The other is looking as Phase II of the Heritage Alliance. He has a meeting with the President of the Heritage Alliance to discuss it in further detail.

Mr. Travous stated that beyond that, on page 2 of yesterday's Board packet, he has the list of 7 items that have to be done next year and will take up a lot of staff's time – the FY 08-09 Budget/Strategic Plan, Communications, the 50th Anniversary, Performance Pay, PAMS, ADEQ Compliance, and the Volunteer/Partnership Program. He noted that he's heard things today that need to be added. Land Reform and where we go with that will take up some time over the next few months. A strategy for San Bernardino project and Contact Point are things he's added to the list. The push begins early on because of what's going on with the initiative the governor's office is working on, the Heritage Alliance, Contact Point and San Bernardino. The others will need to be done throughout the remainder of the year.

Chairman Porter noted he felt Mr. Cordasco was on track in pointing out that there are so many entities out there who are trying to do or are interested in doing some aspect of all the things the agency is doing. Perhaps we need to figure out what it is that we do the best that differentiates us from them that we need to emphasize as part of that picture, even if it may be nothing more than being the best coordinator. He believes that's a valid point to begin some long-range thinking about where we are on that and how we deal with all that competition and looking at what it does to our role and what our role should be in that environment. He did not hear that from Mr. Travous.

Mr. Travous noted that he has notes on that. He suggested being sure the launch pad is sturdy prior to launching.

Ms. Stewart noted that, along those lines, it seems to her that there are some tremendously capable people within the agency, especially the Chiefs, who have a lot of good ideas. Perhaps they should be asked to send to the Director two or three things that they feel the agency could do to help us be recognized nationally and locally as the outstanding resource management organization. Some of them may come up with things the people in this room would never think of in 100 years that might be very doable.

Mr. Travous responded that he did that last year and has a list of those things.

Ms. Stewart suggested asking them again because thinking is not a one-time thing.

Mr. Travous noted that part of the communication issue is to show them how we're following up on things they already suggested. A lot of the suggestions tended to be very parochial; others were energy-related. Executive Staff said they would not start something and then stop it.

Mr. Travous added that the TTC (Teamwork Training Conference) will be August 15th, 16th, and 17th. It would be nice if the Board could be a part of any or all of it. He plans to invite former Board member John Hays since it is in Prescott. He has not received his lifetime pass yet and it would be a nice place to present it.

Ms. Stewart stated she attended last year and it was very interesting. There were break-out sessions on things the agency is working on.

Mr. Travous added that that is when the agency presents awards to its employees.

Mr. Ream noted that it is a half-day on the 15th, a full day on the 16th, and a half-day on the 17th.

Mr. Travous stated that he believes that one of the most important parts to be is where we recognize our fellow employees.

Mr. Ream added that the night of the 15th is the night when we present the employee awards – Employee of the Year, etc. On the night of the 16th is when the Service Awards are presented.

Mr. Travous suggested if Board members can only come to one, they should go to the Employee awards on the 15th.

Ms. Stewart noted that a lot of people thanked her for coming last year.

Chairman Porter added that he emphasized early on in the year he wanted each Board member to try their best to be there.

Mr. Siegwarth noted that the agency has received two national science foundation grants. One is at Kartchner Caverns State Parks and one is through the University of Michigan for Homolovi Ruins State Park. These are very prestigious grants. Staff are very excited to be a part of that and the agency is very proud of the staff involved in both of these grants. Sometimes, without even asking them, a lot of the staff go ahead without direction and make us proud of them.

Ms. Stewart noted that staff very recently hired Bob Casavant to replace Dr. Toomey. He seems to have very good ideas. She heard him talk to NAPAC. One of the things he said to them is that the reason he took the job was because of the Vision. She believes that the Board's work on the Vision is important and is making a statement to the outside. It's important to know that's something people consider. She was surprised he mentioned the Vision. It wasn't in response to anything she said.

Mr. Siegwarth reported that on July 31 a new employee will be coming to work for the agency as a PAMS Manager. She comes from Los Alamos and is supposedly on the cutting edge of remote sensing and GIS work. She has done everything except her dissertation for her PhD. Once again, another very high-powered person will be joining the agency.

Mr. Scalzo noted that one of the Board's priorities that he has not heard mentioned is the ASP Foundation.

Mr. Travous responded that work continues. It is probably hidden in the Volunteer/Partnerships program.

Mr. Scalzo noted that somewhere there needs to be the idea of sponsorship. He has found it to be of greater and greater importance to him in the public sector to find resources that help operate. Private companies and organizations are not alien to what we do and can help us be better at what we do by providing us with resources.

Ms. Stewart noted that, in terms of finding money, it seems to her that there's an opportunity with the T-21 money. She talked at the Historic Preservation Conference last year with the woman who is in charge of it, who is very enthusiastic about getting grant applications from us. Ms. Stewart thinks the Board only has to match with 5%. An entire museum or visitors center could be built if the theme of transportation is interpreted. She thought that the Hopi migration at Homolovi would be something that might qualify. It would enable the agency to have that second phase of the visitors center or add exhibits or interpretation. Something like that could probably be done on the Apache Trail at Lost Dutchman. There are several of the parks that are on historic routes. Picacho Peak has Anza Trail; we have that at Tubac; Yuma has two or three trails going through there. We are missing out on some almost free money that could add to our exhibits and building museum type facilities at historic parks or visitors centers. She believes there is a major change in the philosophy of those folks at the agency. At one time states like California were getting a lot of money. Now, at least in the area of telling the transportation story and having visitors centers and museums, they seem to have a much broader interpretation. She talked in length with Cheryl Banta and recently talked to a lady at the Tourism Conference. She believes there is some opportunity there. She knows that the agency's mindset and focus has been on our road projects in the parks. There is a whole separate pot of money where the Board would not be competing with itself that we are perhaps not taking advantage of.

F. CALL TO THE PUBLIC

Chairman Porter noted that there were no members of the public present.

G. TIME AND PLACE OF NEXT MEETING AND CALL FOR FUTURE AGENDA ITEMS

- 1. Staff recommends that the next Arizona State Parks Board Meeting be held at the Maricopa County Desert Outdoor Center located at Lake Pleasant on September 21, 2006.**

Chairman Porter noted that the Board had a discussion regarding the September Board meeting. He will clarify things quickly. As it stands right now, the Board will meet on September 21, at the Maricopa County Desert Outdoor Center at Lake Pleasant. The meeting will begin promptly at 9:00 a.m. If that is the only meeting for September, it will be a long meeting. He asked the Board's indulgence to come prepared to stay there until the Board gets through what it needs to. He will do his best to keep the Agenda from being any broader than it must be. There is a possibility of a special meeting.

- 2. Board members may wish to discuss issues of concern and request staff to place specific items on future Board meeting agendas.**

Mr. Scalzo noted that after the Board meeting he would like to provide a tour of the docking system that they received a SLIF grant for last year. Secondly, they have a new thermal solar system they are using that Board is welcomed to view as well. It is the only facility of this kind in Arizona.

Mr. Cordasco noted that the primary focus of the September meeting will be to award grants. Over the past few years there have been glitches where the Board had to get into deep discussions. He asked if there is a way to present the Grants in a format that

would alleviate the need for those discussions. He hates to spend an hour talking about something's fair or right or appropriate, etc., without a lot of other information. That has happened the last couple of years.

Chairman Porter stated that is a valid point. He will work with the Director. If something looks like it will be time consuming or problematic, hopefully they can identify them and single them out.

Ms. Stewart stated that having information in writing that explains what the recommendation is and exactly why and how it relates to our Rules is always helpful. The more information the Board receives ahead of time helps; and if there are changes to the recommendations they need to be provided to the Board prior to the meeting, even if they are by E-mail.

Ms. Hernbrode noted that staff will have the Mabery's Response/Opening Brief by August 9. She asked if the Board would like to receive a copy.

Chairman Porter responded that unless Ms. Hernbrode has something requiring Board input, the Board would probably not need to see it.

Ms. Stewart suggested Ms. Hernbrode send the Board a one-page summary. If there's something that needs to be brought to the Board's attention she can do so.

Ms. Hernbrode noted that she will do her best to keep the summary to one page.

H. ADJOURNMENT

Mr. Cordasco made a motion to adjourn the meeting. Mr. Woodling seconded the motion. The motion carried unanimously. The meeting was adjourned at 1:47 p.m.

Pursuant to Title II of the Americans with Disabilities Act (ADA), Arizona State Parks does not discriminate on the basis of disability regarding admission to public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the acting ADA Coordinator, Karen Farias, (602)364-0632; or TTY(602) 542-4174. Requests should be made as early as possible to allow time to arrange the accommodation.

APPROVED:

William C. Porter, Chairman

Kenneth E. Travous, Executive Director